



SOUTH CAROLINA
P.O. BOX 987 UNION, SC 29379

MEMORANDUM

TO: Lodging and Sleeping Facilities in the City of Union.

FROM: Finance Department, City of Union

SUBJECT: Local Accommodations Fee

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On July 20, 2010 the City of Union adopted an Ordinance implementing a two percent (2%) *Local Accommodations Fee* applicable to all lodging or sleeping accommodations including but not limited to rooms, campground spaces, lodging or sleeping accommodations furnished to transients. This letter is to explain the purpose of the *Local Accommodations Fee* and the implementation process. If your business is not affected by the *Local Accommodations Fee*, please disregard this letter.

The *Local Accommodations Fee* has been adopted as a means of diversifying the city's revenue base so as to provide a dedicated source of income to defray service and infrastructure cost associated with tourism without placing the burden solely on all residents through taxes such as business licenses and property taxes.

The *Local Accommodations Fee* is a fee applicable to your customer. Effective September 1, 2010, a two percent (2%) fee must be applied to all gross receipts derived from the rental or charges for any rooms, campground spaces, lodging or sleeping accommodations furnished to transients. This money should be collected from your customer at the time of the sale and escrowed.

For most businesses, the estimated amount of fees collected from patrons will be more than \$50 per month and the remittance must be made by the twentieth day of the following month, just as you currently do with your South Carolina sales tax. If the estimated amount of fees collected from patrons is \$25-\$50 per month, the payment is due quarterly by the twentieth day of January, April, July and October, for the previous quarterly sales. If the estimated amount of fees collected from patrons is less than \$25 per month, the payment is due annually by the twentieth day of January for the previous

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calendar year's sales. The remittance must be accompanied by the City's Local Hospitality and Accommodations Fee monthly reporting form. The reporting form must be submitted on a monthly basis, even if the amount is zero. Your first date for remitting the prior month's collections and/or remittance form to the City of Union will be no later than October 20, 2010, for sales during the month of September 2010. While the City of Union is hopeful that all businesses will comply with the submission deadline, please be advised that a penalty of five percent (5%) of the unpaid amount of each calendar month or portion thereof shall apply.

Enclosed is the remittance form with instructions you will use to calculate your fee. Please make a copy for future use or go to the City's web site to download form at www.cityofunion.net (see "downloads" tab on home page).

To assist businesses with implementation of the Local Accommodations Fee, a workshop will be held in Council Chambers at Union City Hall on August 4, 2010, at 10:00 A.M. A second workshop will be held on the same day, at 2:00 P.M. Your attendance at one of the workshops is requested. Should you have any questions, please contact Laura Hembree at (864) 319-1306.

REMINDER

**THIS FEE IS IN ADDITION TO THE FEE YOU REMIT TO UNION COUNTY;
HOWEVER, THE FEE WILL BE CALCULATED NUSING THE SAME SALES
USED TO CALCULATE THE COUNTY FEE.**